



# Financial Update

**Al Castino**  
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Finance and Investor Relations

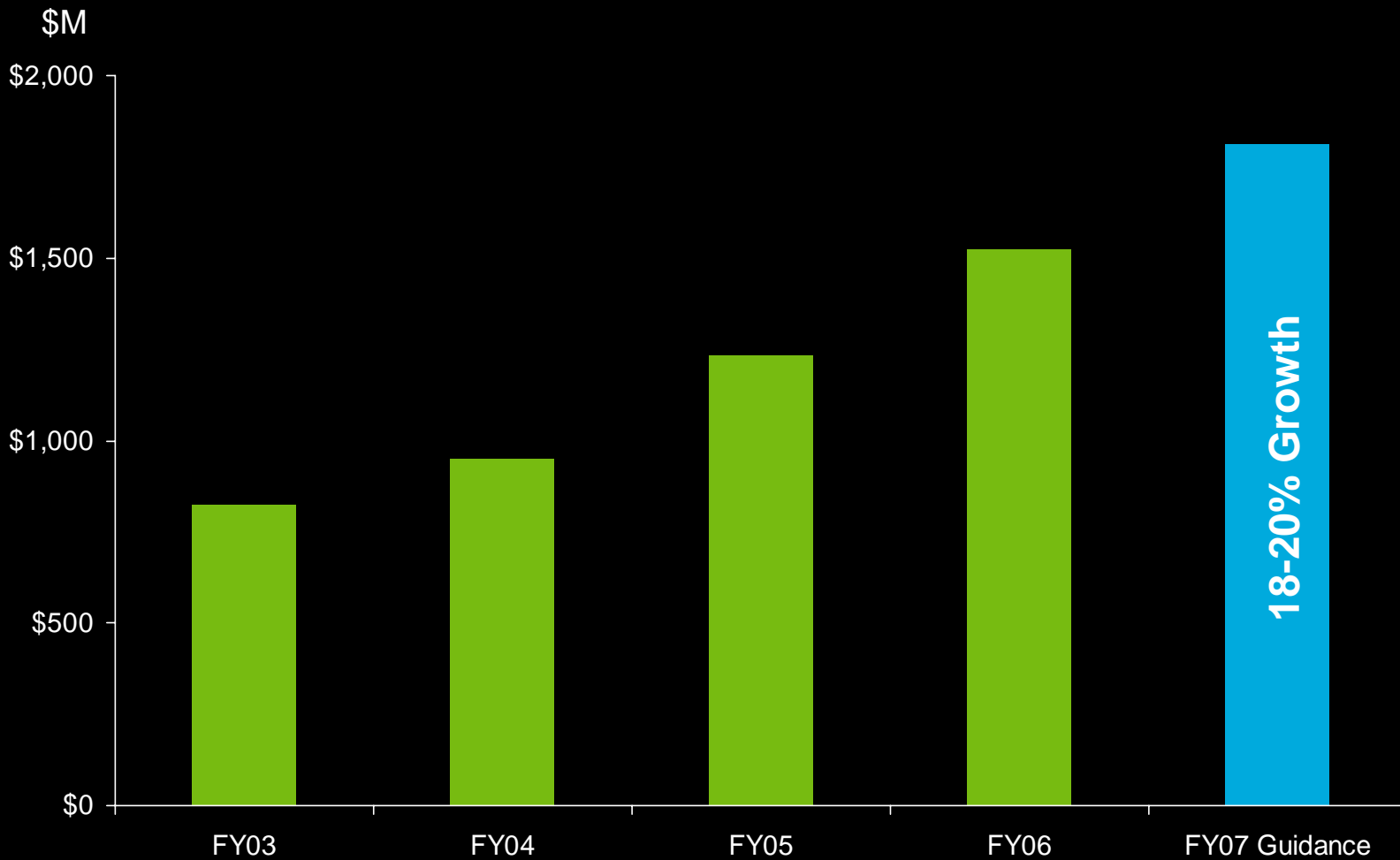
# FY 2006 Goals

- ✓ Achieve guidance
- ✓ Continued strong balance sheet
- ✓ Return on shareholders' equity
- ✓ Continued high integrity
- ✓ Achieve current year productivity targets
  - ✓ Set up for subsequent year achievement
- ✓ Invest for future growth

# FY 2006 Key Metrics

- Strong revenue growth – \$1.523B
  - 23% revenue growth in FY2006
  - 23% 3-year CAGR
- Gross margin improved by 3pp to 89%
- Operating margin up 4pp to 25% non-GAAP
- Cash from operations reached \$415M
- EPS increased 43%

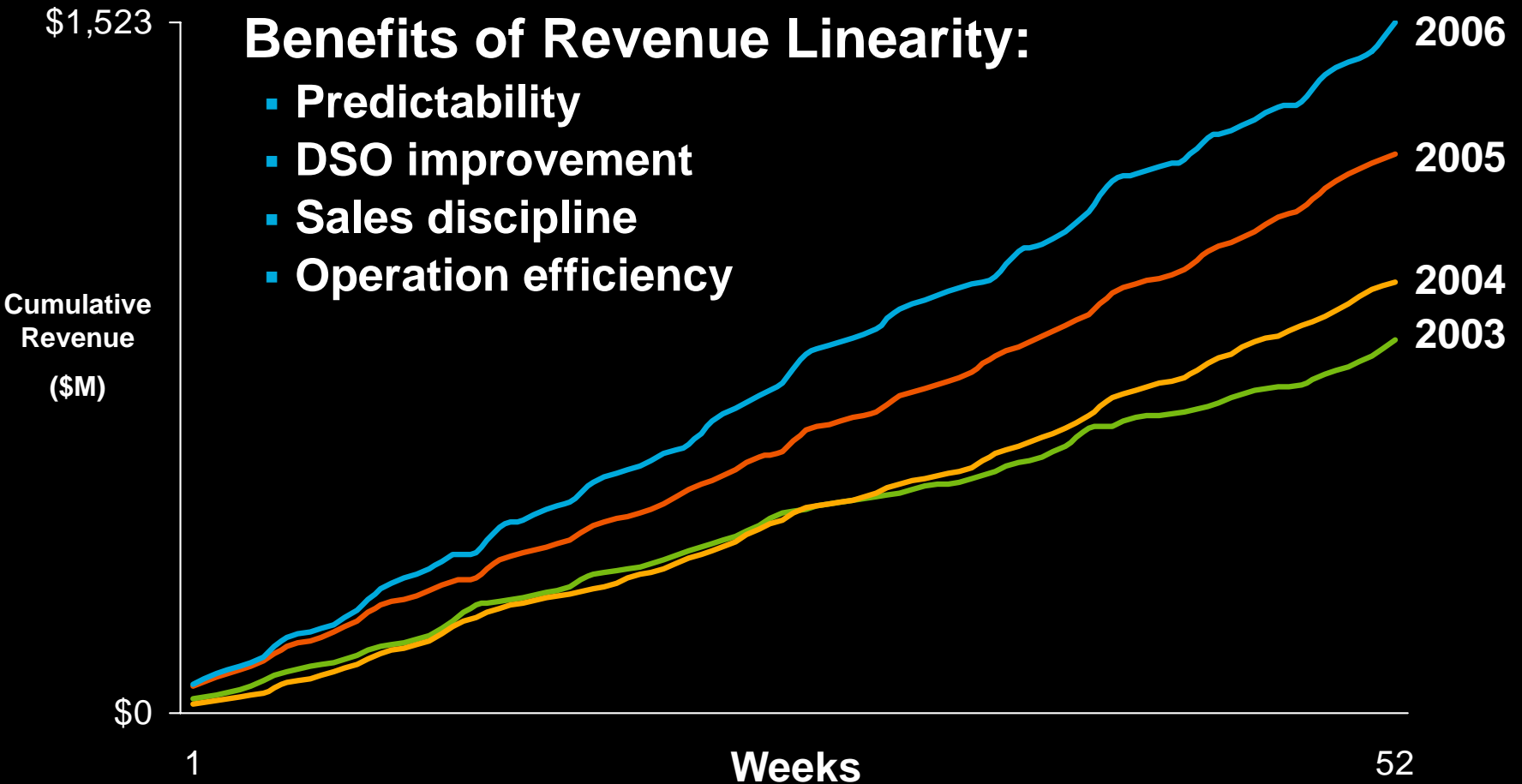
# Strong Growth in Revenue



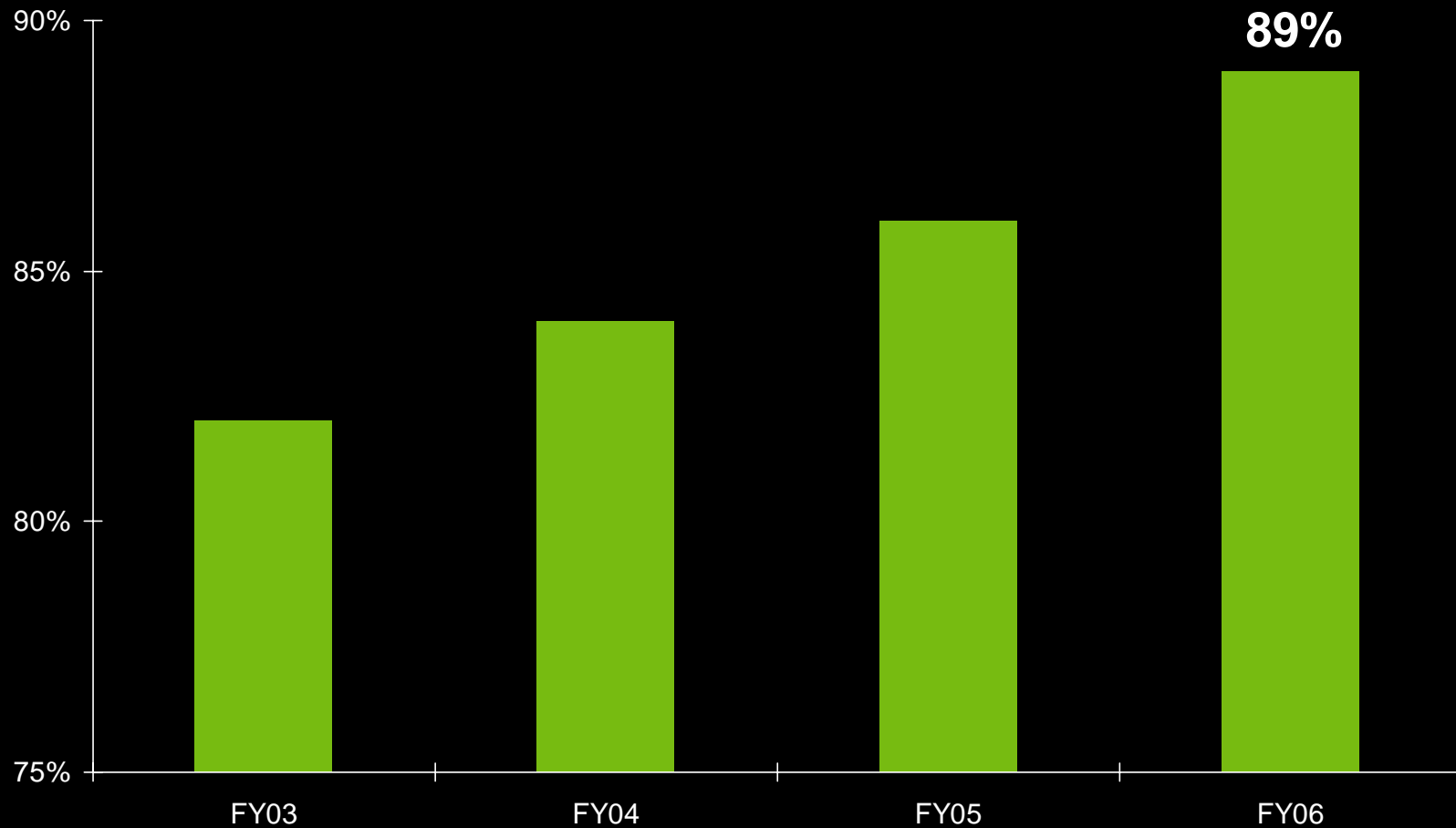
# Industry Leading Revenue Linearity

## Benefits of Revenue Linearity:

- Predictability
- DSO improvement
- Sales discipline
- Operation efficiency

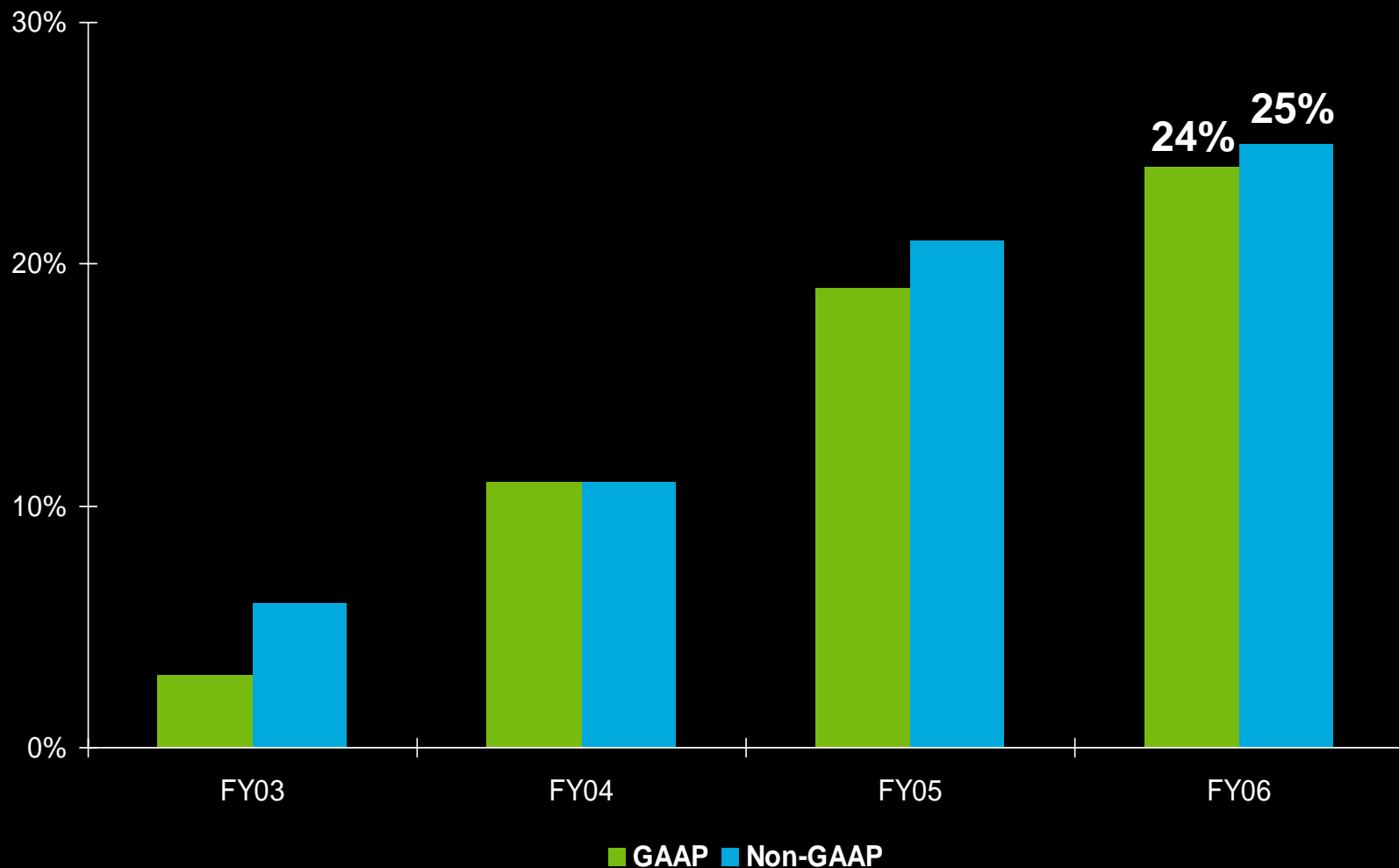


# Gross Margin Improvement

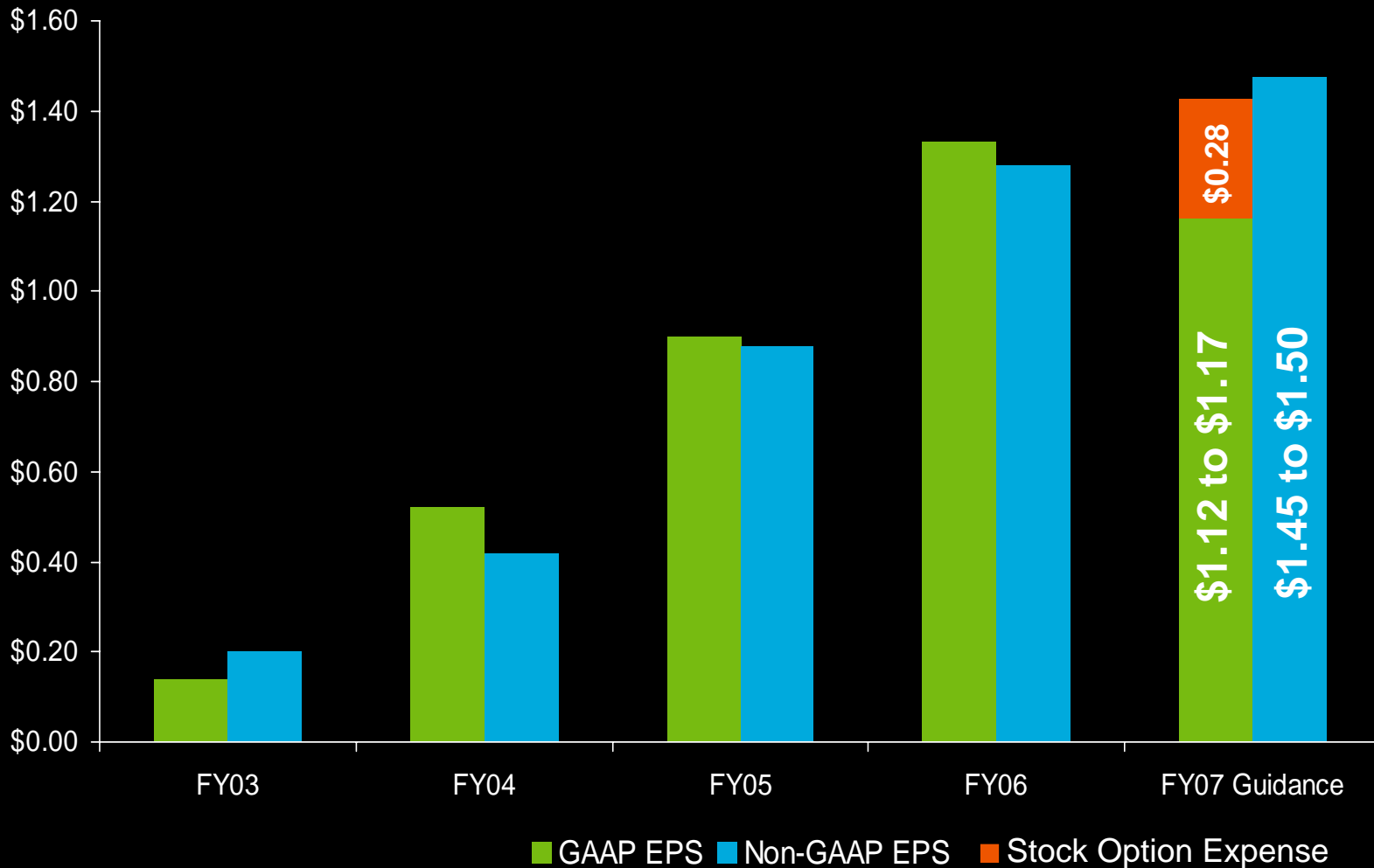


# Operating Margin Improvement

Ideas Realized

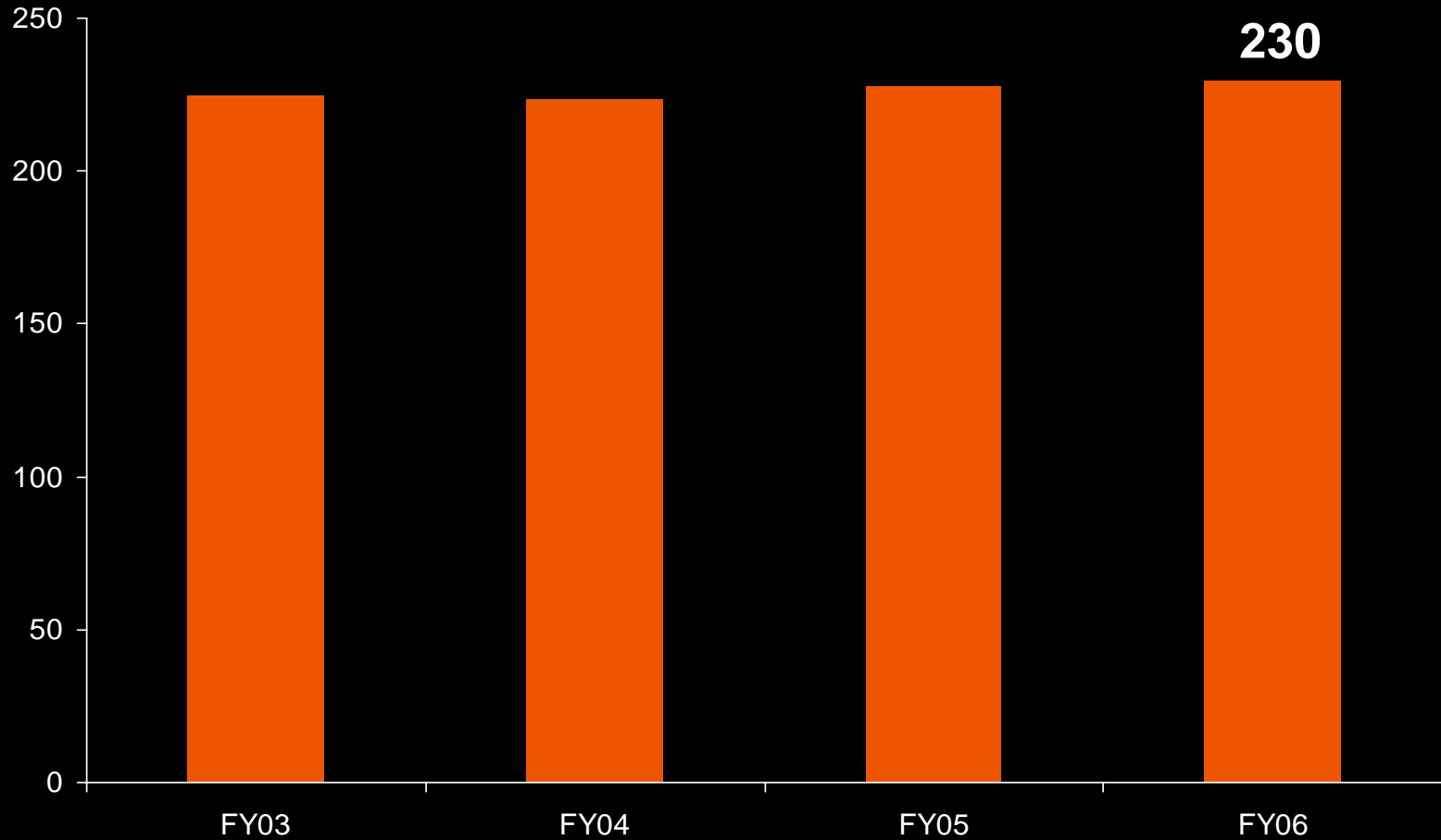


# Strong EPS Growth Rate

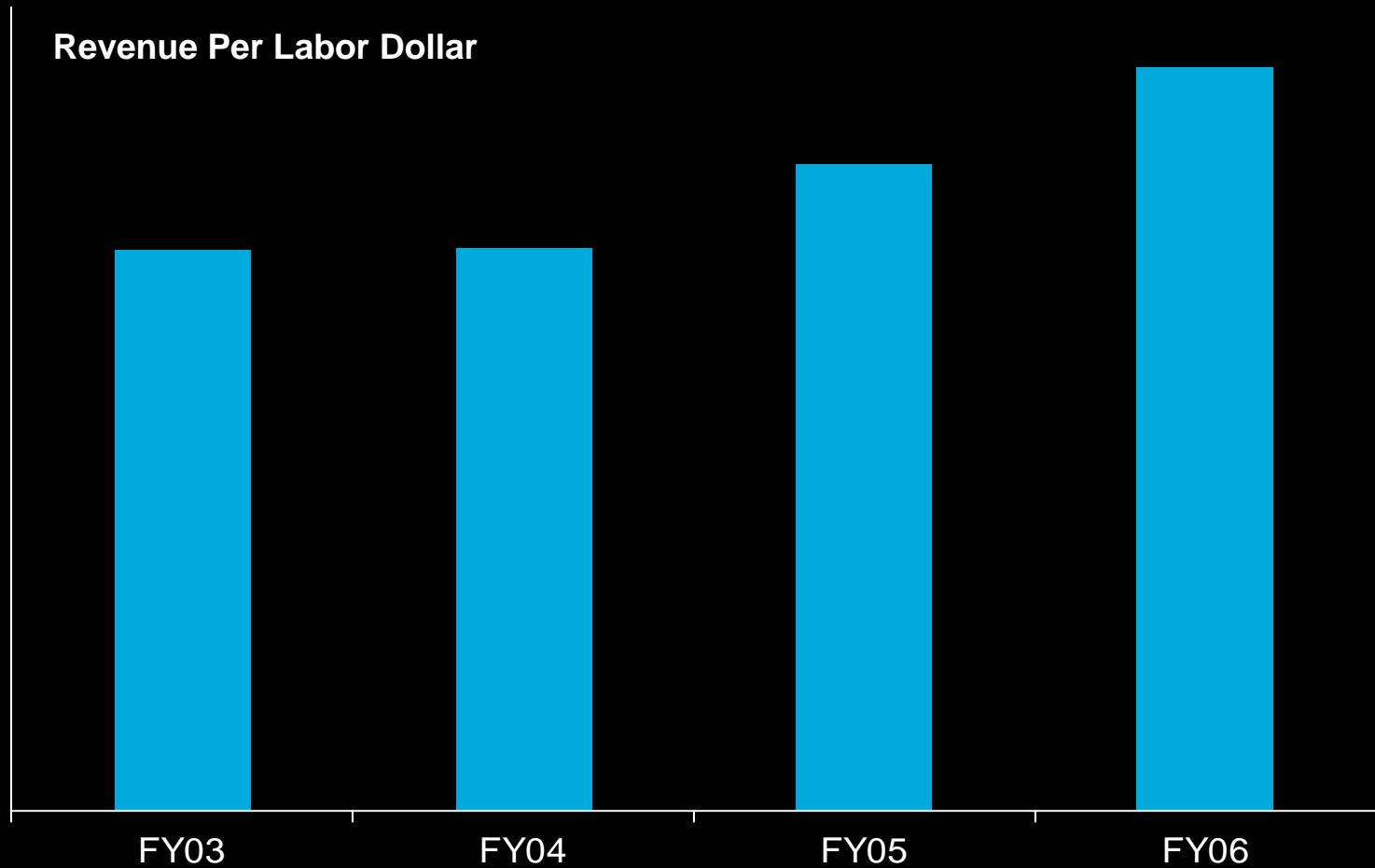


# Shares Outstanding Remain Flat

Million

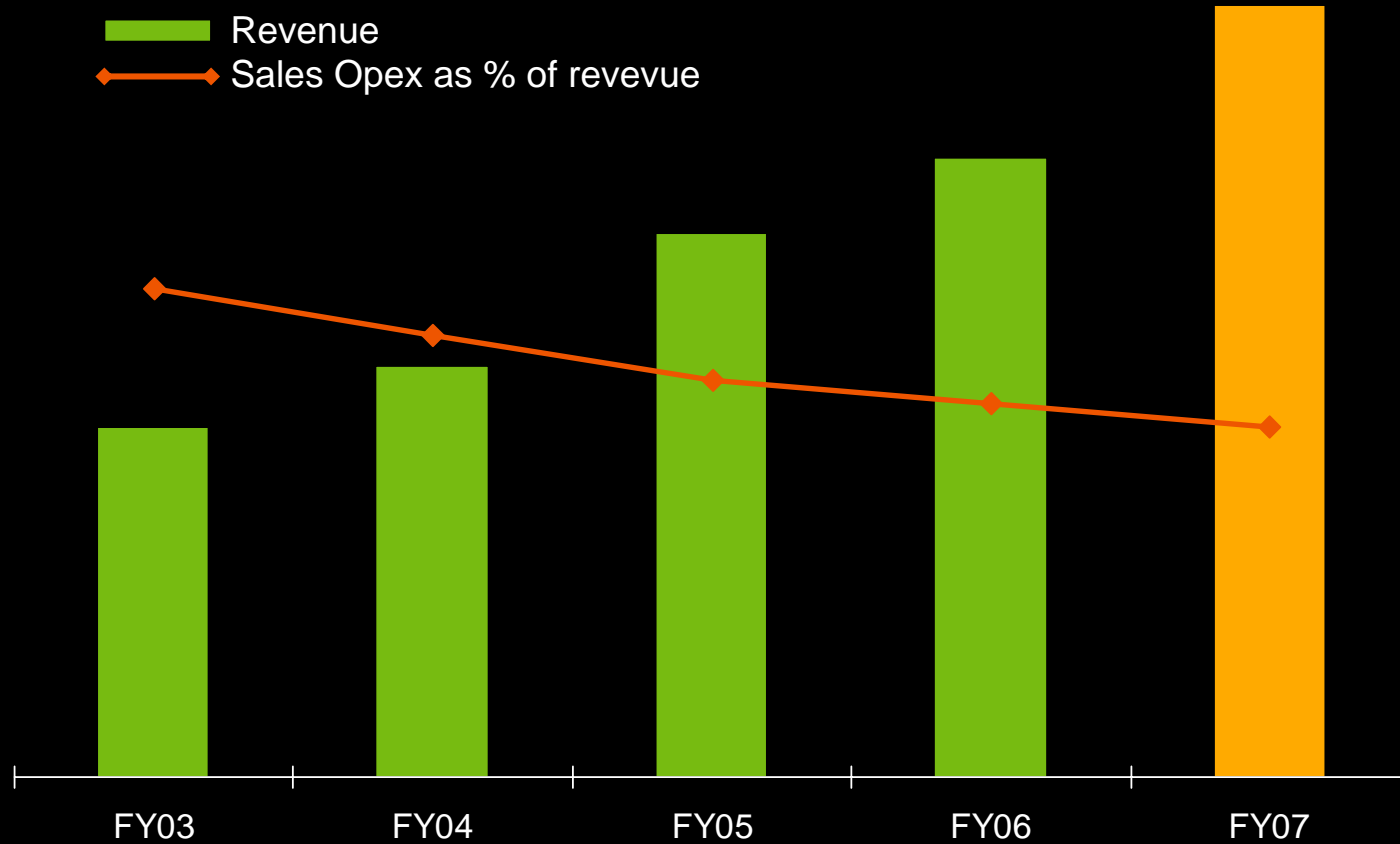


# Productivity Continues to Increase

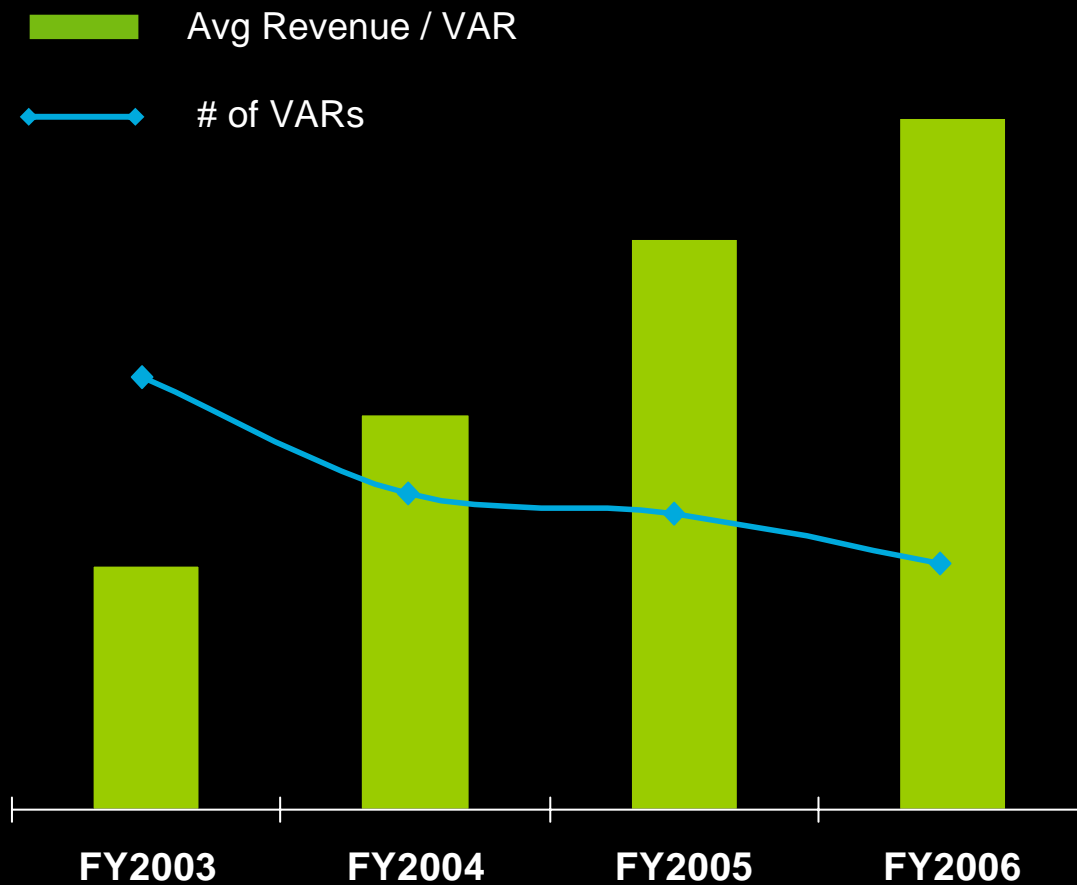


# Sales Productivity

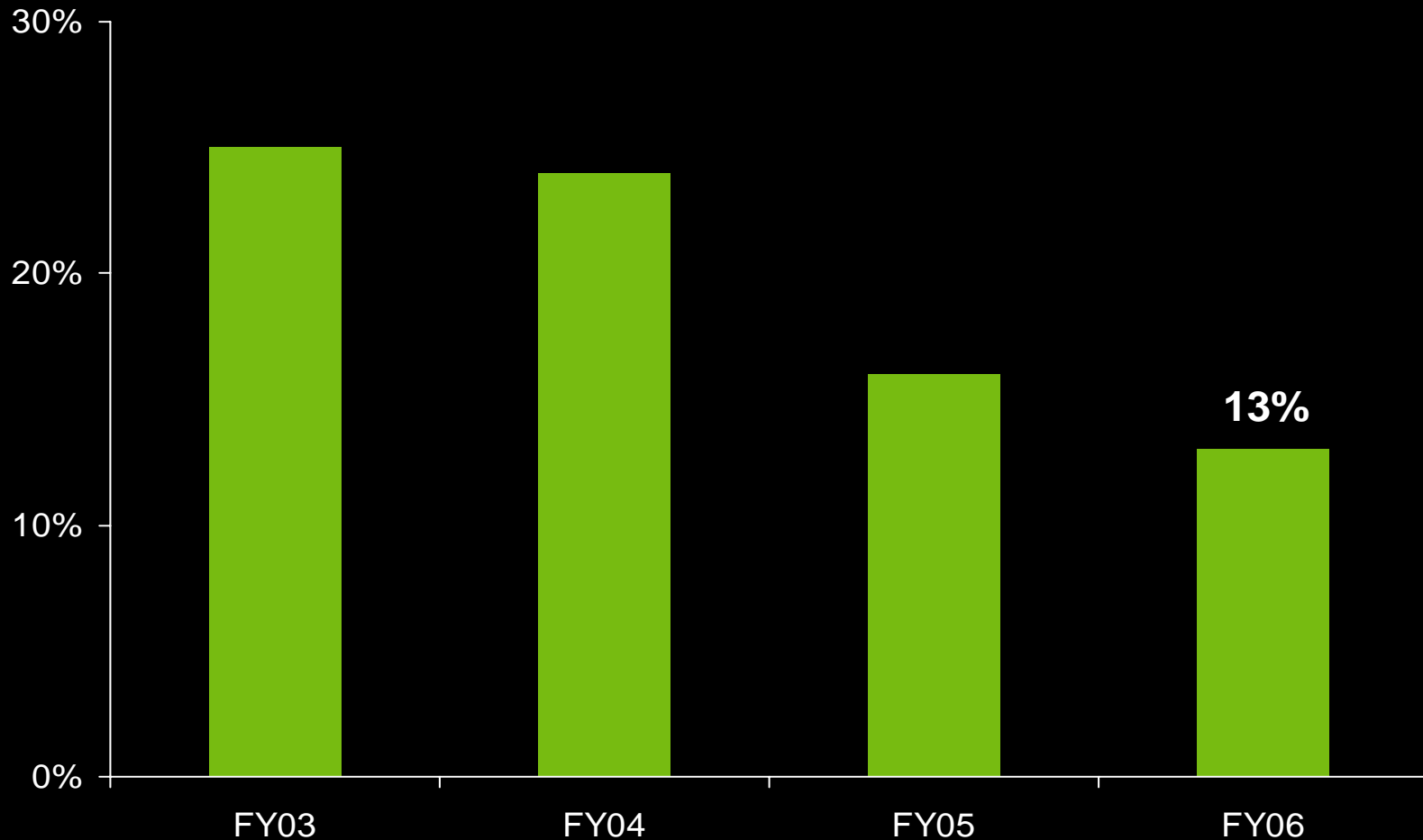
Sales affects topline and bottomline profitability



# Channel Productivity



# Stock Option Overhang is on Target



# FY 2007 Financial Goals

- Achieve our growth and margin objectives
- Execute right investments to drive future growth
- Grow emerging countries
- Maintain excellent capital management
  - Minimal shareholder dilution
  - Increasing RSE
  - Increasing EPS
- Ensure systems and processes support efficient growth

# Guidance Summary

## Q1 FY 2007

- Revenue \$425M - \$435M
- GAAP EPS \$0.22 - \$0.24
- Non-GAAP EPS \$0.30 - \$0.32

## Q2 FY 2007

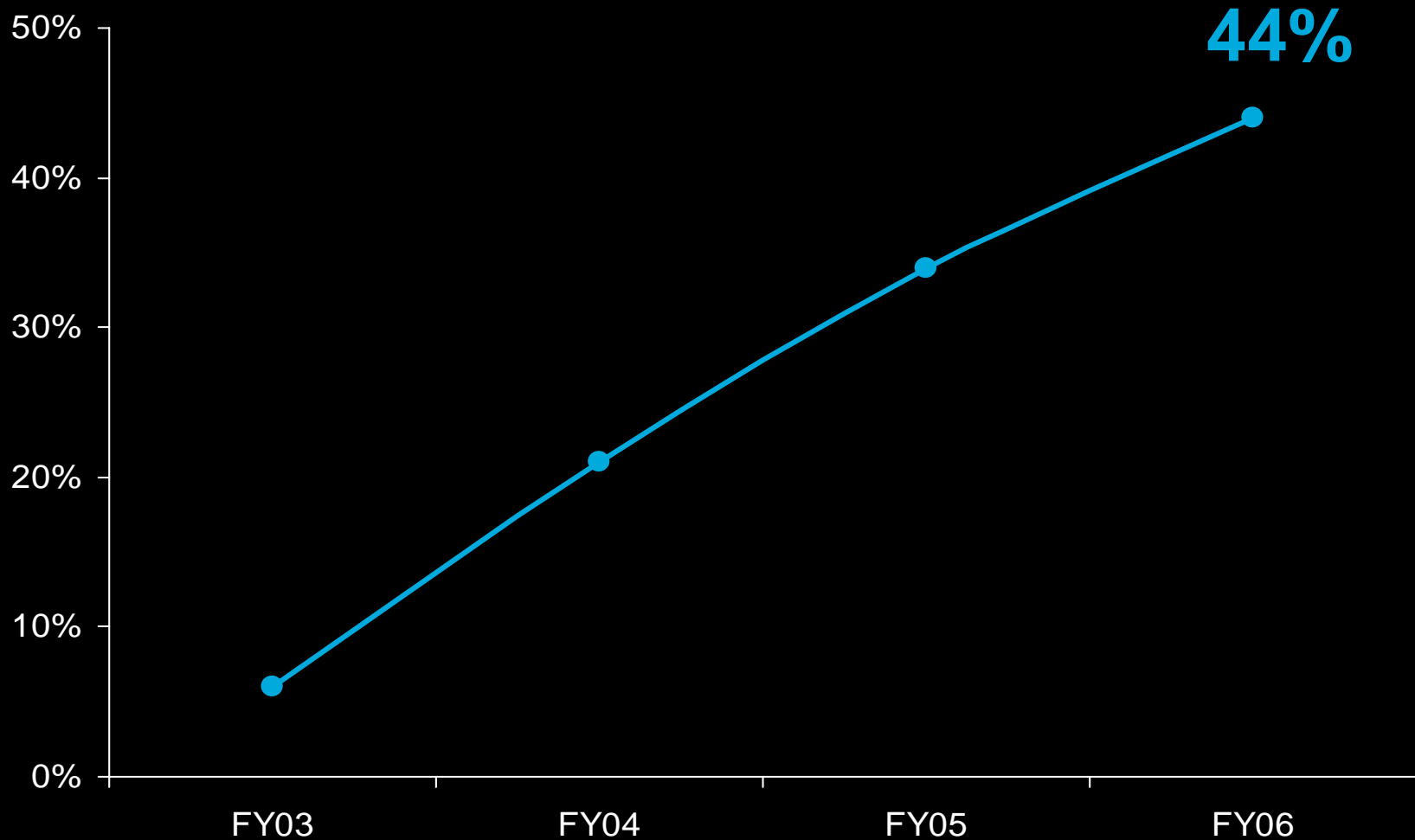
- Revenue \$440M - \$450M
- GAAP EPS \$0.26 - \$0.28
- Non-GAAP EPS \$0.34 - \$0.36

## Fiscal FY 2007

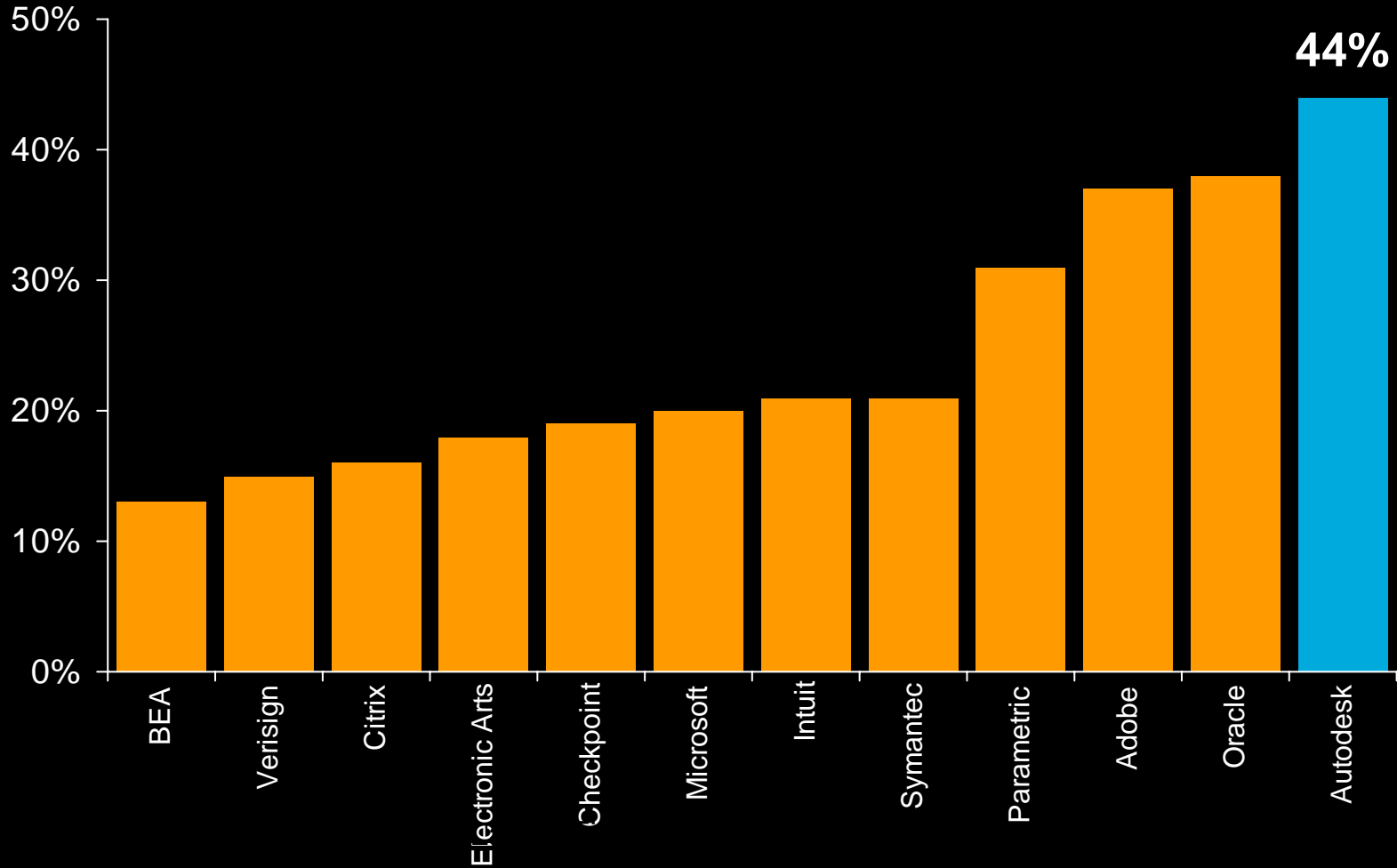
- Revenue 18% to 20% Growth over FY 2006
- GAAP EPS \$1.12 - \$1.17
- Non-GAAP EPS \$1.45 - \$1.50

# Outstanding Return on Shareholders' Equity

Ideas Realized



# ...And Is Best of Software Peers



Ideas Realized